**PRESIDENT :** The time has expired and therefore no more question will be asked today. I have notice of two adjournment motions. The first is this : "I have the honour to beg leave to make a motion for the adjournment of the business of the Assembly for the purpose of discussing a definite matter of urgent public importance, *viz.*, the great annoyance and hardships caused to the merchants and travelling public by the plague special officers posted at the Travancore Frontiers such as Arookutty, Edapally, Veluthully, Alwaye etc., etc., by the arbitrary and irregular exercise of the preventive measures thereby giving room for much extortion and corruption." I have to decide whether that motion for adjournment is admissible. The Honourable members may be aware of the rules relating to motions for adjournment. It has been laid down that the motion must be restricted to a specific matter of recent occurrence. In this case Honourable members may be aware that the plague measures have been in operation in that area for over two months now. It is therefore not a matter of recent occurrence and in the second place, beyond a general complaint which has been made in this motion regarding the working of the plague areas on the frontier, there has been no single incident brought to notice for this motion being discussed as a motion for adjournment of the House. For these two reasons I rule this motion out of order.

There is another motion : "The utter inefficiency of the police, as evidenced in connection with the investigation of the Manjoor rape and murder incident and the consequent feeling of insecurity felt by the public". Well, my ruling on that motion will be this. The motion must be restricted to a specific matter of recent occurrence. Inefficiency of the police is not a matter of occurrence. If there is a matter of occurrence in this motion it is the Manjoor rape and murder incident. So far as that matter is concerned it is already in court and to debate on police inefficiency and hang it on to that incident would be to prejudice the case. Therefore it is inconsistent with public interest to allow a debate on this motion.

Well, Honourable members may be aware that it was our hope and expectation that a few main items which were placed before the House yesterday for consideration, namely, supplementary demands and the consideration of the Report of the Public Accounts Committee will be finished before the House rose for the day. It is found that only one item has been transacted and it is over. So the consideration of the Report of the Public Accounts Committee will commence now. The procedure that I lay down will be as follows :—

The Financial Secretary will now present the Report of the Public Accounts Committee and move that it be taken into consideration. This is the first time that this House has been called upon to exercise the privilege of discussing the Public Accounts Committee Report and it will be useful to enlighten the House on the procedure that is to be followed for this debate.

The Financial Secretary's motion need not be seconded, as it is not a real substantive motion, but only a formal device for initiating a discussion on the Report before the House. Notice has been given of

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two resolutions and they too need not be seconded. The resolutions will be put to vote at the conclusion of the debate; but following the practice in the Legislative Assembly, the motion made by the Financial Secretary will not be put to the vote of the House. Under Rule 14 of the Public Accounts Committee (Supplemental) Rules, I had allotted for the purpose the time that would have been left over yesterday after the discussion of the demands for supplementary grants. But the whole day having been taken up by the demands for supplementary grants, I have allowed debate on the Public Accounts Committee Report before official legislative business is taken up.

The debate on the motion of the Financial Secretary and debate on the two resolutions when moved, will proceed together. The members can speak on the Report generally and those members who have given notice of resolutions may also make general observations on the Report and move the resolutions. As the full one hour has been taken up by questions and answers, the time available today is only 2½ hours, as the adjournment motion comes up at 3·30 in the afternoon. The House can use all the 2½ hours for the debate, and the official legislative business posted for the day will come up tomorrow. To enable as many members as possible to participate in the debate, a maximum of ten minutes will be allowed to every member, including those who move resolutions.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Sir, I rise to present the Report of the Public Accounts Committee on the Audit and Appropriation Accounts of 1108 M. E. and move that the Report be taken up for consideration.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Sir, as it has been already observed by the Chair this is the first time that we are discussing the Report of the Public Accounts Committee. We wish to state at the very outset that after studying the Report as we have been able to study and comparing it with the Reports of Public Accounts Committees in British India, especially the Public Accounts Committee Report of the Government of India, I find it is difficult to call this a report on the expenditure and financial policy followed by Government during the year 1108. We are handicapped by another fact that since we are discussing the expenditure that has been incurred and the financial policy adopted by Government in 1108, really, we have in it the interest only of an enquiry on an ancient topic. In spite of the certificate so generously given by the Public Accounts Committee and conveyed by the Chair on their satisfaction of the very able manner in which the Financial Secretary has given the facts, I say the report is quite disappointing and the available details have not been placed in their entirety or the frankness that ought to be expected from the Financial Secretary. The irregularities have not been clearly pointed out, the inaccurate estimates have not been explained. They have been explained in a general way as is usual with him. The development of the departments have been going on and with that the expenditure as a whole, and the difference between

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estimated expenditure and actuals, have been explained as being generally due to the developments that were going on in the various departments. I wish to point out specifically one instance and I wish that this House will take very serious notice of that fact and that is in regard to an item of expenditure for which I do not know on whom I should fix the responsibility; but I consider it a matter of first class financial importance and it is an abuse of the rules and hence an irregularity of which nobody can be absolved. The Financial Secretary gives explanation in regard to several items as has been stated and attempted to state the reason which is no reason or the explanation which is no explanation on this matter and it is unconvincing. I refer to the diversion of ·01 of a lakh of rupees allotted to the Water Works, Trivandrum, being diverted for the purpose of providing V bolts to the Neendakara Bridge. Sir, it is not an item provided in the Budget. It was not granted by a supplementary grant, nor was it authorised under the emergency clause. There are certain rules for the expenditure of items or grants that have been published which the learned Financial Secretary has been good enough to bring to our notice in his Audit and Appropriation Report. I think he offends many of the rules but this unauthorised irregularity and unjustifiable diversion of the amount comes specifically under one of the rules in the Account Code. I will read the relevant rules in the Account Code, Chapter III, rule 4. Now the grants made for the use of the Willingdon Water Works and which was provided in the budget has been utilised for the purpose of purchasing V bolts for preventing the rattling of the Neendakara Bridge. There was no separate budget head under the item 'Neendakara Bridge.' I was looking into the budget but I could not find any such provision. So this has been diverted from a fund that has been allotted by this House for a specific purpose. And this has been done without the authority of this House or without any other proper authority and I find the very wonderful explantion given by the Financial Secretary. His explanation is this:

> "The expenditure of a sum of Rs. ·01 of a lakh under Capital Expenditure—for construction of a bridge across Neendakara Bar when there was no budget provision was examined and it was found that necessary provision had been made by diversion from the allotment for Trivandrum Water Works. The expenditure was unforeseen at the time of the budget as it related to the fitting up of V bolts to the planks in the Neendakara bridge to prevent rattling."

Sir, can it be imagined that Government were not aware of the rattling of the Neendakara Bridge at the time when this budget was prepared? Even if they were not aware of the rattling let us take it to be so. Any officer who has gone across the Neendakara Bridge could have felt the rattling before that. The rattling existed even soon after the work was finished and before the contractor was paid and sent away. Government ought to have looked into it. It is such a wonderful thing that the Government was not able to foresee this when they prepared the budget. Now the expenditure comes up all on a sudden. Let us take it that the Secretaries were incompetent to foresee to it earlier. Even then there is a regular method of getting this amount sanctioned by resorting to the device of a supplementary grant. Sir,

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this is a very important matter. You should not allow officers of Government, whoever they might be, to nullify the rules and Regulations and thus to overreach this House. Let it be the expenditure of a pie. What explanation can the Financial Secretary offer to this House for the mistake he has committed? The Financial Secretary ought to have appologised for this irregularity before the Public Accounts Committee and this House; then I could have understood it and I would not have brought this motion before the House. But he tried to shilly-shally with us. He attempts to convince us that this is a very regular method. When one of the members of the Committee finds out that there is an irregularity in this he wants to put it as a regular provision. But my question is who authorised him to do it. What is the rule which empowers him to divert the money not provided for in the budget for such expenditure. Moreover there is a specific rule preventing him to do this. Can the Financial Secretary think that he is dealing with his private money and can he do anything he likes with it? That is why we find in civilised countries Public Account Committees and such similar bodies are appointed to scrutinise the expenditure of funds and these are not made for being explained away. At the very start of this discussion, you, Sir, would have taken notice of this fact. So we have to enter a caveat against the irregular conduct of the Financial Secretary by which he has tried to overreach this House. This should not be allowed hereafter. I am sure, you, Sir, will take serious notice of the act as the coustodian of the rights and privileges of this House that such an example of open violation of the rules should not be allowed to pass uncensured. No Financial Secretary or any other Head of Department should think of attempting to do any such action in the future. That is the resolution that I wanted to bring for the consideration of this House.

**PRESIDENT:** I will allow you two minutes more.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Generally, I wish to say a few words about the evidence taken by the Committee from the members that they examied. Sir, in British India such evidences are compiled in separate volumes and published as full reports. Here also the evidence of officers are valuable to us for discussion and they must be printed. I think that would be very helpful for the proper discussion of the Committee. With these words I move formally my resolution:

"This Assembly recommends to Government to take serious notice of the irregularity in the expeneiture of a sum of Rs. 01 of a lakh under capital expenditure by diversion from the allotment for Trivandrum Water Works."

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Sir, it is a very valuable privilege that has been extended to this House by appointing a Committee under the statute itself to look into the expenditure of the State finances and scrutinise the same and to submit a report. The first difficulty which I feel in the proper discharge of the functions of the Public Accounts Committee in this House is the absence of a proper officer to audit the State finances and to submit a report. It is the

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Account Officer who is the chief person responsible to the Government for expenditure of State finances and he is to submit the audit report. If there are irregularities in the mode of expenditure or in the mode of sanction it is due to this double function of the Account Officer. In all civilised countries we find that there is a proper and efficient system of audit. Even the Government of India has got an auditor who is appointed by the Secretary of State for India and whose report is sent to the Secretary of State for India. Here there is an absence of such an officer. What do we find in the audit report here? Here we find a misappropriation of a few rupees here and a few rupees in an Anchal office or some-where. Such serious irregularities which are likely to happen in the administration of a State's finances are not brought to the notice of the public. It is due to the absence of an officer directly responsible to the Sovereign and independent of the executive to audit the State's finances. Unless there is sufficient provision for that we are to content ourselves with what we have at present. That is my first submission.

The next point which I wish to place before this House is about the manner in which estimates are prepared for purposes of asking for grants and the manner in which they are spent. When we want the Government to spend the amount for the urgent needs of the country we are told that we have no funds while we find the estimates of a particular department recognised and sanctioned by Government contain amounts much more than what is necessary for the expenditure for the particular year. If we look into the Audit and Appropriation Report at page 57, we find that for 12 departments under 12 heads there was a demand for 98·72 lakhs of rupees in the original budget for 1108 and the amount that has been spent actually is only 95·97 lakhs of rupees. That means that even out of the amounts that had been sanctioned in the original budget there was a surplus of 2·75 lakhs of rupees which was not spent by the department. At least there must be a convention that the surplus amount must be surrendered to Government in order to enable Government to spend for more urgent works. The department seems to be quite unaware of that procedure. I am looking into the Appropriation Report of the previous years and there is no such thing as surrendering the amount before the close of the year. When there was so much balance we find there is an additional sanction of 2·38 lakhs of rupees for 1108. My submission is that by this mode of asking for demands and getting them sanctioned the Government are depriving the means of meeting the urgent needs of the country on the grounds of want of funds and so Government should take very serious notice of that as well.

The resolution which I wish to move for the consideration of this House is this:

> "This Assembly recommends to the Government that severe steps must be taken against the delinquents for the irregularities noted in paras 16 to 18 of the Audit Report as the explanation given by the Conservator before the Public Accounts Committee is unsatisfactory."



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Sir, at page 72 of the Audit Report it is stated that a certain contractor was asked for working down 15,000 C. ft. of teak wood from the Reserves before the close of 1107. He was not able to finish the contract before the close of 1107. He applied for extension. What is stated here is that if any extension is to be given to the contractor on a contract which was sanctioned by Government it is the Government that should sanction the extension.

If the contractor delays to execute the contract, he is bound to pay a penalty. That penalty also is to be waived by the Government. It will be seen that, in this case, the contractor was bound to finish the work before the close of 1107. Extension was granted to him from Kumbham 1108 for four months. It is not clear what happened in regard to the period from Chingam 1108 to Kumbham. It is not stated anywhere that extension was granted for that period.

The Report says that the Conservator has no power to waive the penalty and that he must obtain the neccssary sanction for that from Government, as if, for the mere asking, he could get such sanction from Government. The only punishment that is meted out to the Conservator for doing a thing, which he is not empowered to do, is that he must apply for Government sanction which the Government are ready to give him if only he would be prepared to humble himself down to ask for it. And what is the explanation given by the Conservator before the Public Accounts Committee? He claims he has full power to do that and complaints that the Government are usurping his powers.

When the Conservator is asked why extension was not applied for nor granted for the first seven or eight months of the year 1108, he simply says that the Divisional Forest Officer must have overlooked that fact. He is not prepared to concede that it was his duty also not to overlook it and that he was not justified in overlooking it. What is he there for unless it be to look into and rectify the mistakes committed by his subordinate officers?

What I am submitting, Sir, is, that it is only very rarely that irregularities of officers are brought to light; and when they are brought to light, nothing is done. If, Sir, this is going to be the result of the working of the Public Accounts Committee and other Committees and of the discussions in this House, my submission is that all this is mere waste of time and money.

In paragraph 17 it is stated:

"Similar objections were raised in regard to four other agreements in the same Division. In one of them the Head of the Department had granted extension of time subject to the recovery of a fine of half a chuckram per c. ft. on the quantity short removed. Sanction of Government was asked to be obtained in all the above cases also."

The Conservator does not care to get Government sanction; it is the Government that asked him to obtain Government sanction.

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Paragraph 18 shows that trespass took place in 1106 and that it was only in 1108, two years afterwards, that the department came to know of it and found out that the Range Officer had omitted to do what he was bound to do. And, after discovering the commission of the offence, here also, the department is not bold enough to bring the offender to book. What is stated is :

"The offender however agreed to pay....."

I do not understand the force of the expression 'however agreed'. It looks as though, by agreeing to pay the compensation, he was doing something which he was not bound to do, and that he was doing it as a matter of grace. In a weak moment, as it were, the offender agreed to pay a compensation of Rs. 90, the contractor standing as his surety. But the Range Officer waited for two years until the contractor, the surety, became insolvent. It is stated :—

"Through the Range Officer's negligence the amount remained unpaid till Meenam 1108 by which time the contractor became an insolvent. It was recommended that the amount thus lost may be recovered from the Range Officer concerned."

What I am submitting is that, if the irregularities of any officer are detected and if such irregularities have resulted in loss to Government, all that is done is that the officer is asked to recoup the loss incurred by Government. That is why nobody hesitates to hoodwink the Government of its revenue. My submission is that in such cases Government should take very serious notice of the conduct of the delinquents and punish them severely. What we find here, in Travancore, is that officers may commit any kind of irregularity without fear of being found out. Even if they are found out it is very difficult to bring them to book. And, if in one in a thousand cases, the officer is brought to book, it is with very great reluctance that the Government think of punishing him. And, what is the punishment? Four or five years after the commission of the offence, the officer is merely asked to recoup the loss incurred by Government. If, in any instance the officer is punished, two or three years hence his offence is condoned, he is reinstated and his full salary, for the period of punishment, is paid to him with all arrears due.

**PRESIDENT :** The fault lies with the members of the bar who appear on behalf of these offenders.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : My submission is that Government must be able to resist the pursuasion of the members of the bar in such cases.

**PRESIDENT :** Good ; thank you for that suggestion.

**MR. M SIVATANU PILLAI** (*Tovala*) : Is it not the duty of professional lawyers to take up briefs when they are approached ?

**PRESIDENT :** We are not now discussing the ethics of the profession of law.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : All that I am now submitting is that whenever irregularities are brought to the notice of

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Government, they must give deterrent punishments to the offenders concerned, especially in cases where the offences committed have been sufficiently proved. Otherwise, there is no safety for the people.

I would therefore request the House to lend their unanimous support to this resolution of mine.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): I submit, Sir, that the proceedings of the Committee have been framed in such a way as to give rise to an impression in the minds of those who go through the Report that the representatives of this House on the Committee were either in-attentive to what was taking place in the Committee or were not sharp enough to see through things.

**PRESIDENT**: Let us not cast reflections on each other.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Certainly not all that I said was that the Report has been framed in such a way as to give rise to that impression. I did not say that they were actually inattentive or were not sharp enough.

**PRESIDENT**: They did fight very boldly and energetically.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I ask whether the members to that Commitee were not elected by this House?

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Yes, and so it is I say that the fault lies with the framers of the Report.

**MR. K R. ELENKATH** (*Kalkulam I*): I did not hear what the member observed about the members of the Committee.

**PRESIDENT**: You were either inattentive or .....

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Were not sharp enough.

At page 12 it is stated:

> "Mr. Karunakaran further wanted to know the nature of the tour and whether the Director of Industries attempted to enlarge the existing markets or to create new markets for our articles in the big centres of trade he had visited. The Chief Secretary to Government stated that a Trade Agent had since been appointed in Bombay and that he would attend to all these items of work."

Mr. Karunakaran asked for definite information about the object of the North Indian tour of the Director of Industries and the Chief Secretary's reply was that a Trade Agent had since been appointed. (*Laughter.*) It is impossible that Mr. Karunakaran, or anybody else, would have been satisfied with such an answer. The only probability is that theChief Secretary's reply has not been quoted fully in the Report.

Again, at page 11, it is stated that Mr. Karunakaran remarked that the Trivandrum Sales Depot was not working on a remunerative basis and that he therefore suggested that the Depot might be closed. To this it is stated that the Chief Secretary replied that the Ootty Sales Depot had been closed. (*Laughter.*) I submit, certainly, this could not have been the reply given by the Chief Secretary.

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A very important suggestion that was made by Mr. Karunakaran himself, in regard to sales depots, was this.

> " If money were spent on advertising Travancore goods in foreign countries such as Australia, just like what the Mysore Government are doing in respect of their Sandal Wood Oil and soap or in public places such as Travellers' Bungalows and Public Offices it was likely to produce much better results."

And the reply, as we find in the Report, is :—

> " It was resolved that the rates of commission charged on articles kept for sale in the Depot may vary from 5 to 15 per cent according to the nature of the articles sold."

I would therefore suggest, Sir, that more pains are taken, at least in future, in the preparation of such reports. We would like to have more details about the proceedings of the Committee.

In regard to the irregularities of the Forest Department, about which the Conservator of Forests, Mr. Dhanukoti Pillai, was examined by the Committee, I dare say the irregularities could not have escaped the notice of the members of the Committee. I am sure the Conservator would have been questioned by the Committee about the various items specifically shown in the Appropriation Report. But judged from what we find in the Report, no substantial work seems to have been done in this direction, by the members of the Committee. Therefore, in the interests of non-official members of the Committee, in the interests of fairness and justice it is necessary that the framers of the Report are asked to be more attentive in the framing of the Report.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Sir, it has been stated that the proceedings of the Public Accounts Committee are not reported in full. I may inform the House that the Report has been passed by all the members of the Committee, both official and non-official; and whatever additions or corrections they wanted to make in the Report have actually been carried out. I may also assure the House that the question of giving more details wherever necessary will be considered when issuing the next Report.

The main point raised by Mr Kunjukrishna Pillai was about the diversion of funds for carrying out certain works relating to the Neendakara bridge. No doubt, provision was not made in the budget for the year 1108 for any work relating to the bridge. Towards the close of the year 1107, the Public Works Department ordered certain materials for the prevention of rattling of the bridge. But unfortunately those materials did not arrive in time and they were received only early in the year 1108. The work had to be carried out and the Chief Engineer recommended that a sum of Rs. 1,000 might be diverted for this purpose from the allotment provided for the Trivandrum Water Works. It was expected that a good portion of the allotment provided for the Trivandrum Water Works would lapse at the end of the year and the proposed diversion was accordingly sanctioned by Government. So far as the Legislative Assembly is concerned, all Capital Works are included under one single demand for voting purposes and it is therefore open to

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Government to divert funds from within the grant. So the procedure followed by Government in diverting funds allotted within the grant appears to be unobjectionable. In this connection, it may be stated that during the course of any year, it is quite likely that a number of works may have to be carried out in the Public Works Department which were not actually provided for at the time of the budget. Repairs to flood damages and similar works are instances in point. Such unforeseen works could not be provided for in the budget. These works have nevertheless to be carried out and that has to be done with the funds available within the allotment for the Public Works Department by diversion from the provision for less urgent works. It is possible that the provision made for certain works specified in the budget may lapse at the end of the year and in such cases, the funds thus made available are generally utilised for the execution of other works for which it may not have been possible to provide sufficient funds in the budget.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*): Under what provision please?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): This is the practice followed everywhere.

MR. P. K. NARAYANA PILLAI (*Ambalapuzha I*): Unwritten practice?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): In British India and in other Native States the same practice is adopted. Thus the procedure adopted by Government in diverting a small allotment for carrying out a necessary work which was not anticipated at the time the budget was framed does not appear to be open to any serious objection. The question of diversion of funds has been however raised by the Public Accounts Committee and instructions have therefore been issued to the Public Works Department that in respect of Capital Works, which have been completed for all practical purposes, any small outlay that would be needed under similar circumstances should be met out of the maintenance allotment for the work. This point has been specifically referred to in the proceedings of the Public Accounts Committee.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know from the member why, if the Government are empowered to divert funds like this for heads not provided for in the budget, the Financial Secretary should give that undertaking?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I shall explain the position, Sir. Neendakara bridge is a Capital Work. Suppose we have in future to carry out any number of alterations or additions to the work. The submission of the completion report in respect of that Capital Work will naturally be delayed and in order to prevent that, it is laid down that in future all additional works in connection with Capital Works such as the Neendakara bridge or the

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Neriamangalam bridge, should be carried out out of maintenance estimates. Otherwise, the Capital Works will drag on from year to year and the Public Works Department will treat it as an explanation for not submitting the completion report in time. With a special view to prevent this, the Finance Department has issued instructions to the effect that in future such items of work should be carried out from maintenance estimates and that the Capital Work should be closed as early as practicable.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know, Sir, whether the Financial Secretary considers the damages caused by floods and the provision for providing for additional work to the Neendakara bridge are of the same nature in regard to their not being foreseen beforehand?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): The Government thought that the whole work would be finished by the end of the year 1107. But on account of the materials which had already been ordered for, having arrived only late, this diversion had to be allowed. Such works have to be done and it may not always be feasible to move the Legislature for additional funds. In some cases additional funds may not be necessary, as it may be possible that there may be lapse of funds in the Public Works Department budget.

**MR. K. KUNJUKRIHNA PILLAI** (*Quilon I*): May I know whether this was not anticipated?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): So far as budgeting was concerned, it was thought that the work in connection with the bridge would be finished in the course of the previous year.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) May I know from the member whether there is no provision to bring in supplementary grants for such items of expenditure.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): The money had to be urgently provided for, because the materials already ordered for had to be paid before a supplementary grant could be moved. Further, it was not necessary to move for a supplementary grant because funds were lapsing under the Trivandrum Water Works, one of the items of work included in Demand Capital Expenditure not charged to Revenue.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know from the member whether he takes the position that if there are funds available he can divert them to any purpose he likes?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): What I mean is that funds could be diverted, in case of urgent necessity, from one Capital Work to another, provided, funds are available within the grant.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know from the member whether the rule with regard to the lump sum sanction for a particular purpose has been followed?

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MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The rule relating to lump sum allotments has not been violated in the present case.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether the Financial Secretary will explain this point?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The demand moved in the Assembly was for expenditure on all Capital Works together and the item in question was also a Capital Work.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know from the member whether the funds were specifically allotted for the Willingdon Water Works?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): No. The demand was for all the Capital Works including the Willingdon Water Works and it was granted by the Council.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I refer the member to Appendix I at page 46 of the budget?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I may invite the attention of the member to the schedule of votable and non-votable grants for expenditure in the year 1108 referred to at page XXVIII of the budget for the year 1108.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): What is it that is contained there?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): On that page is published the schedule of voted and non-voted grants, and the allotments voted by the Council under Capital Works are referrd to there.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Shall I refer the member to the first page where a sum of rupees two crores is shown? Does the member thereby mean that all items represented under these Rs. 2 crores will fall under one head and any amount can be diverted from one item to another?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): No, Sir this sum of Rs. 2 crores is the total of several grants voted upon separately by the Legislature.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): What is the significance of the expression 'grant'?

MR. R. NILAKANTA PILAAI (*Finaucial Secretary to Government*): 'Grant' means a demand and several demands have been moved in the Assembly and voted upon separately.

MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): Are we to take it that there are only two classes of grants, namely, the votable and the non-votable?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes.

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MR. PUTHUPALLI S. KRISHNA PILLAI (*Quilon II*): In that case will the member refer to the page indicated by the Honourable member, that is, page 46 of the budget?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): If the member will kindly refer to page XXVIII of the budget referred to by me he will find that the allotments for all Capital Works have been voted upon in a lump.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): On a point of order, I wish to know whether, when an Honourable member wants an explanation with regard to a statement in a particular page in the budget, it is proper for the official member to refer the former to another page of the budget.

PRESIDENT: If he wants to explain the item he is at liberty to refer to any page in the budget to enable him to do so.

Unfortunately there seems to be some misunderstanding in regard to the word 'grant' and the need for its expenditure for a particular purpose for which it finds an entry in the budget and the Financial Secretary perhaps brought about the confusion by trying to import into the discussion the votable and non-votable grants. We are not at all concerned at this stage with the votable and non-votable grants. All that we are concerned with is what is the amount that we have provided under a particular grant for a particular purpose, whether the money that was entered in the budget under a particular grant for a particular purpose ought to be spent only for that purpose or whether a portion of that money, if it were available, could be diverted for other expenditure. That in essence, is the point to be cleared. One Honourable member asked—does the grant mean votable or non-votable grant? That has nothing, as I said, to do with the present discussion. As Honourable members are aware, the budget is divided into numerous grants, each grant relating to a separate department of activities. Now, in this particular case, our attention has got to be restricted to the grant which deals with public works, for it is in that grant that we find money entered in the budget under what is called Capital Works and under the heading 'Capital Works' a certain amount of money has been entered for expenditure. Now what happens? There is a demand from the same department for expenditure under the same grant for a purpose more or less akin. If it is Water Works here, it is a big bridge there. However, it is for an item of expenditure which, as the Financial Secretary pointed out, could not have been foreseen at the time the budget was prepared. The question was pertinently asked why this was not foreseen. The explanation was that at the time of the preparation of the budget—and remember please that that time is not the date on which the discussion of the budget begins but it is a few months anterior—the Financial Department found that there was ample provision in the budget for the completion of the particular work. They naturally took it for granted that in the following year there will be no need whatsoever for any provision being entered against that work for there was money and they hoped that it would be



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utilised before the end of the year and that the work would be completed. But what was the experience? The experience was that after the whole money entered in the budget was spent and after the work also perhaps was completed the Public Works Department found that there was still some very important item of work to be completed to make the bridge safer. They came up to Government for an additional grant. There was then no provision under that item in the Public Works grant for expenditure on that head. The Finance Department had either to come up before the House and ask for a supplementary demand and say "we did not anticipate this expenditure at the time of the preparation of the budget. We want Rs. 1,000 for this piece of work. Do grant it please." But instead of asking for more money to be entered, they re-examined their own financial position and as a result of it, they found that Rs. 1,000 could be easily spared from another allotment for this identical piece of work, because the provision entered under "Capital Expenditure" which was of course a rough figure, would not be all needed for expenditure before the close of the year. That is why the Finance Department said "all right, you take this Rs. 1,000 from this particular head which was intended for expenditure in the Water Works Department", and they authorised the Chief Engineer to utilise that money for carrying out a work which is again under the jurisdiction of the Public Works Department and for which, we are now told by the Financial Secretary, no provision was entered for the reasons that he has given. There has been some confusion of thought. Therefore to clear the grounds I have placed the position before you as I have understood it from the Financial Secretary's speech.

**MR. K. R. ELENKATH** (*Kalkulam I*): May I know whether the amount spent is included under the item Capital Works or maintenance?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Capital Works.

**MR. K. R. ELENKATH** (*Kalkulam I*): May I know whether this amount could not have been diverted from the public revenue?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): The work is a Capital Work and so the necessary provision was diverted from Capital Works allotment.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know who are the persons engaged in the construction of the Neendakara bridge?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): The main contract was given to Messrs. Braithwaite & Co., I believe. Mr. K. G. Paramesvaran Pillai of Quilon had some subsidiary works in connection with the construction of the bridge.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): May I know what Government means by clause 4, sub-clause (iii) of the rules regarding re-appropriations given at page 59 of the Audit and Appropriation Report, *viz.*, that grants made for a specific purpose and lump sum grants shall not be diverted to other purposes?

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**PRESIDENT**: It is not to be diverted to the detriment of that work. That is what it technically means.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Are the accounts relating to Willingdon Water Works closed?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): The completion report for the first stage of the Willingdon Water Works is under preparation.

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*): Then how can we know whether this diversion is to the prejudice of this work or not?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): If the member will kindly refer to the Audit and Appropriation Report, page 36, he will find that a portion of the grant for Water Works had actually lapsed at the close of the financial year.

**MR. PUTHUPALLI S. KRISHNA PILLAI** (*Quilon II*): May I know the month in which this amount was appropriated or reappropriated by the Government? May I know whether it was before or after the first session of the Council?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Government order regarding the diversion of funds is dated the 23rd January 1933.

**PRESIDENT**: The House will now adjourn. The discussion of the subject may be continued till 3·30. If the House permit that the discussion shall continue throughout the day, that might be done and the non-official members can have the right of reply.

The House adjourned at 1·7 P. M. and re-assembled at 2 P. M. with the Deputy President in the chair.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): It was suggested by Mr. E. V. Krishna Pillai that the answers given in respect of the questions raised relating to the Sales Depot at Trivandrum are not complete.

**DEPUTY PRESIDENT**: I think that the mention of Mr. E. V. Krishna Pillai's point as to the answer given is not quite relevant.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): I submit that the answers given there have been approved by Mr. K. C. Karunakaran himself who raised the question relating to the Sales Depot.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Does it exclude any other member of this House from raising an objection?

**DEPUTY PRESIDENT**: That may be Mr. Karunakaran's opinion. But his is not the final word on the subject. Whether an answer is relevant or not is a matter for the Chair to decide. So Mr. Karunakaran's approval does not conclude the House.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): As regards the irregularities relating to the Forest Department referred to by various members, the point is that the Audit Department held the view that, as the original contract was entered into with the sanction of Government, the Conservator ought to have informed

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[R. Nilakanta Pillai.]

Government when he revised the terms of the contract. On the other-hand, the Conservator held the view, on the basis of the terms contained in the draft contract form prevailing in the Department, that the sanction of Government was not necessary. The Conservator explained the point before the Public Accounts Committee and his explanation was accepted by them.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether that power is given to the Conservator in the agreement?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes. The draft agreement entered into between the contractor and the Conservator of Forests contains a provision authorising the Government or the Conservator to exercise the power of waiver.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): May I know who are the parties to that contract?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The Conservator of Forests and the contractor.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Is it the opinion of the member that in the contract entered into between them, the power of Government could be usurped?

DEPUTY PRESIDENT: That does not arise.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): Is it the suggestion of the Financial Secretary that Government have authorised the Conservator of Forests to extend the time-limit?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): According to the terms of the agreement, both the Government and the Conservator are empowered to exercise that power and the Conservator accordingly exercised the same.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): So, is it his opinion that the observation made by the Finance Department is wrong?

MR. R NILAKANTA PILLAI (*Financial Secretary to Government*): The view-point taken by the Conservator was subsequently accepted by the Finance Department, on the basis of the provision contained in the draft agreement.

MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): Is it that the Finance Department came to pass this observation without looking into the agreement?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): As already explained, the Audit Department held the view that as the original contract was entered into with the sanction of Government any variation in its terms should also be approved by Government. The Conservator held the view that he had the power to do so on the basis of the terms of the contract form prevalent in the Department.

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MR. E. V. KRISHNA PILLAI (*Pattanamtitta*): Now there is the Finance Department holding one view and the Conservator a different view. What is the ultimate decision arrived at by Government? Is it the view of the Finance Department or that of the Conservator that should prevail?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The view taken by the Conservator of Forests was accepted by Government.

DEPUTY PRESIDENT: I wish to call upon the official member to make a statement on this point. So far as I know there is a Financial Secretary to the Government, but no separate department of Finance as in British India. I wish the official member will state whether there is any Finance Department as such with powers independent of the Dewan.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): In Travancore there is no Finance Department independent of the Dewan.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): In contracts entered into with the approval of Government may I know whether, for extension of time-limit a special sanction of Government is not to be obtained? I wish the member would clear that point. You cannot have both ways *viz.*, Government exercising the power and the Conservator also exercising that power.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): According to the terms of the contract prevailing in the department, Government or the Conservator could exercise that power.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know, in a contract entered into on the sanction of Government, whether the express sanction of Government is necessary or not for extension of time?

DEPUTY PRESIDENT: That is an abstract legal proposition.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): The point arises in this way. The Financial Secretary says Government alone has that power. In the same breath he says, according to the terms of the agreement, the Conservator also has that power. My point is, both cannot co-exist.

DEPUTY PRESIDENT: On that point the word of the Financial Secretary may not be the last word. All that the member can ask is what the Financial Secretary thought of the matter.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know what is his view on the matter?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): I have already explained the matter. I shall read for the member's information, if necessary, the particular paragraphs in the agreement.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): I want the member's opinion and no reading.

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Just to clear the point I have to refer to the wording in the draft agreement form.

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**DEPUTY PRESIDENT :** The official member was trying to make out a case by reading some document.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) : According to the terms of the contract both the Conservator of Forests and the Government have got the power. That is my view.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*) : What power ?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) : Power to waive penalty and extend the period of contract.

**DEPUTY PRESIDENT :** Does it mean concurrent powers ?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) : The wording in the agreement is 'Conservator of Forests or the Government'.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : Is it only with this agreement or with all agreements ?

**DEPUTY PRESIDENT :** I disallow that question.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : Here we are discussing the Public Accounts Committee Report and we want to elicit the information with regard to such matters. That is why I am asking this question.

**DEPUTY PRESIDENT :** Questions ought to be couched in proper language. When Mr. Asan put a question with regard to general matters I disallowed the question. The particular point may be asked with regard to this agreement and not with other agreements.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) : Condition 15 of the draft agreement is as follows :—

> "Nothing shall prevent the Conservator of Forests or Government from exempting the contractor from the payment of any or all the penalties aforesaid or from granting an extension of time to the contract period provided reasonable and sufficient cause is shown that the deficits or delay in delivery was not due to the contractor's neglect but to circumstances beyond his control and the decision of the Conservator of Forests or Government as the case may be shall be final as to the sufficiency or reasonableness of such cause."

The Finance Department held the view that in cases where a contract was entered into with the sanction of Government, the power to grant extension of time should also be exercised with their sanction.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*) : May I know who are the parties to that contract which was just now read ?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) : The Conservator of Forests and the contractor.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*) May I know what is the convention adopted in such cases by the Finance Department ?

**DEPUTY PRESIDENT :** In the light of the statement made by the official member in answer to questions from the Chair you cannot speak of the Finance Department. Mr. Nilakanta Pillai said that there is no independent Finance Department. In order to facilitate proper discussion, you may speak of the Financial Secretary to Government.

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**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Is there any convention, irrespective of the terms of the agreement, built up in a technical manner that this power may be exercised by the Conservator?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): My personal opinion as Audit Officer is that this draft agreement requires revision. As it is, it would appear that Government and the Conservator have concurrent powers.

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): May I know from the Financial Secretary whether the agreement which he was just referring to was not prepared by the Head Sirkar Vakil and approved by the Government and whether it was not current in the Department?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): I admit all the suggestions of the Honourable member. Nevertheless I feel that the agreement form requires revision.

**DEPUTY PRESIDENT**: I consider that that answer of the Financial Secretary is not relevant to the discussion.

**MR. K. R. ELENKATH** (*Kalkulam I*): May I know from the member whether he was aware of these facts when he pointed out these irregularities in the Report?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): I was not aware of the particular wording in the draft agreement form when the Audit and Appropriation Report was drafted.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Is there any precedent justifying an agreement of this kind?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Agreements of this kind are not unusual in the Forest Department.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): May I know from the Financial Secretary whether the extension of time allowed was after the breach of the agreement or before that?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): It is clear from the Appropriation Report that the period was extended after the breach of the agreement.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): May I know from the member whether the agreement provides for the extension of time after the breach of the agreement? I wish to know whether there is anything in the agreement which enables the Government or the Conservator to condone the breach once committed and then to extend the period?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): That question can be answered only after going through the whole agreement.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): My question is whether there is any provision in the agreement to extend the period after the breach has occurred.

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MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): In this particular case the matter came up for the consideration of the department only after the expiry of the period.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): May I know what is the basis of the contract between the Government or the Conservator and the party?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): A printed form is used by the department for agreements.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): I want to know whether this particular agreement was accepted by the Government as the basis of the contract?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): That must have been accepted by the Government.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): Am I to take it that it was accepted or not accepted?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): In the ordinary course it must have been accepted by the Government.

MR. R. SAMBASIVA AIYAR (*Kunnatnad II*): I wish to get a definite answer with regard to this.

DEPUTY PRESIDENT: He states that Government must have accepted the agreement.

MR. A. THANU PILLAI (*Trivandrum—Rural*): Is there anything in the contract empowering the Conservator to ignore a period of time between the commencement and termination of the contract?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): There is a provision in the agreement authorising the Government or the Conservator to extend the period of contract.

MR. A. THANU PILLAI (*Trivandrum-Rural*): May I know when the extension of the contract expired?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The contract expired at the end of 1107.

MR. A. THANU PILLAI (*Trivandrum-Rural*): May I know when the extension period expired?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The extension period expired at the end of Edavom 1108.

MR. A. THANU PILLAI (*Trivandrum-Rural*): That is, ten months after the expiry of the original period?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Yes.

MR. A. THANU PILLAI (*Trivandrum-Rural*): An extension of four months covering up a period of ten months. Was the Conservator authorised to do that?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The Conservator himself has admitted that the Division Officer failed to report about the matter.

MR. A. THANU PILLAI (*Trivandrum-Rural*): Did the report contain that the Conservator was responsible for the irregularities?

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**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): Copies of the Audit and Appropriation Report, as well as the Report of the Public Accounts Committee were forwarded to Government in the usual course.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): I wish to know whether the Departmental Head was responsible for this irregularity.

**DEPUTY PRESIDENT**: I do not think that that question can be authoritatively answered by the Financial Secretary.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): May I know from the member whether there is anything in the terms of the agreement authorising such a procedure? It is not a matter of opinion.

**DEPUTY PRESIDENT**: I want Mr. Thanu Pillai to withdraw the last portion of the question. It is a comment.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*); I withdraw.

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*) "The Divisional Forest Officer was not correct in recommending extension of the contract for a period of four months only. He might probably have thought that the contractor was not doing any work during the period from 1st Chingom 1108 to the end of Makaram 1108 and that therefore no extension for that period was necessary."

From the above wording in the report of the Public Accounts Committee it could be seen that there was an omission.

**MR. PACODE A. NARAYANA PILLAI** (*Vilavancode*): If an extension is granted for the original agreement, is it not a new agreement that was entered into?

**MR. R. NILAKANTA PILLAI** (*Financial Secretary to Government*): It is a matter for the lawyers to decide.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): When a subordinate officer makes a recommendation, if the sanctioning authority merely acts upon that recommendation without looking into the merits of the case, is he not at fault?

This is the way in which it is worded:—

> "These logs had to be taken through paddy fields and this was possible only in the month of Meenam or Medom that followed after the crops have been harvested The Division Officer was not correct in recommending extension of the contract for a period of 4 months only. He might probably have thought that the contractor was not doing any work during the period from 1st Chingom 1108 to the end of Makaram 1108, and that therefore no extension for that period was necessary".

From that I find that the responsibility is vested with the Divisional Officer and when he makes the recommendation the Conservator only sanctions it. Has the Conservator nothing to do with it?

**DEPUTY PRESIDENT**: So far as I can see, it does not follow that the Conservator did not exercise his mind upon the matter. So the question is unnecessary. The recommendation might have been made to the Financial Secretary and the Conservator in making that recommendation must have exercised his mind.



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MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): Then, a word about the loss due to the delay in clearing outstanding dues referred to in para 18, page 72 of the Audit and Appropriation Report. The whole question is now under the consideration of Government.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): What is the matter under consideration?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The responsibility of the Range Officer in not recovering the dues in time is under consideration of Government.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Is it by making him liable for the amount or punishing him for the mistake?

MR. R. NILAKANTA PILLAI (*Financial Secretary to Government*): The explanation of the officer concerned has been obtained and forwarded to the Government by the Conservator with his remarks.

MR. K. R. ELENKATH (*Kalkulam I*). In making a few observations about the report of the Public Accounts Committee I would like to point out that in future at least, greater attention should be paid for auditing accounts by appointing an officer of high status from outside the Account Office. In saying so, I do not mean that the present officer is not in any way inefficient or insufficient for the purpose of auditing. It depends as it is, on the mercy of the Account Officer to point out irregularities and it is on the Audit and Appropriation Report that the Committee can proceed. As a member of the Committee I may say that the Committee had occasion to get all possible information that the members sought for. Some of the officers were examined only because the Audit and Appropriation Report pointed out certain of their irregularities. Otherwise we would not have been able to see what the irregularities were. My point is that it was only because of a particular officer's courtesy towards us that some irregularities were brought to light. At the same time I do not believe that all the irregularities were brought before the Committee.

MR. K. KUNJUKRISHNA PILLAI (*Quilon I*): May I know whether under the rules the Financial Secretary is not bound to bring these irregularities to the notice of the Committee?

MR. K. R. ELENKATH (*Kalkulam I*): I am aware of that. My only point is that the non-officia. members have no access under ordinary circumstances to the facts that would bring out all defects and irregularities that daily occur in the various departments of the State. We have, it is true, a right to get the information. But in case the responsible officer neglects to do his duty in the direction, we will be helpless. So I stress the point that the Government should consider the question and appoint an efficient officer of high status to audit accounts, the report of which has to come before the Public Accounts Committe.

Then with regard to the observations made by some of the members of this House that the members of the Committee have not dealt with all that they ought to, I may say that no points other than those

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dealt with by the Committee have been touched upon by the members of this House and so the members of the Committee cannot be said to have been absent-minded as one of the members sought to make out.

Another point which I would deal with is that regarding the much-talked-of fault of the Conservator. The Conservator was examined by the Committee and he has confessed the guilt of the Divisional Officer.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Was that confession of guilt recorded as it was in the Report?

**MR. K. R. ELENKATH** (*Kalkulam I*): Yes.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Will the Honurable member read out for the information of the House that portion dealing with the confession of the Coservator?

**MR. K. R. ELENKATH** (*Kalkulam I*) It has been already read out by some of the members. So I do not propose to read it.

The Report says that the Conservator confessed that the Divisional Forest Officer has defaulted. He has done a wrong and by his confession it only means that he has not properly done his duty of supervising the work of the Divisional Forest Officer.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Had the Conservator submitted any explanation before the Committee for not supervising the work of the Divisional Forest Officer?

**MR. K. R. ELENKATH** (*Kalkulam I*): The Conservator had in his evidence said that his subordinate had not done his duty.

**DEPUTY PRESIDENT**: I want to make this point clear. There are two things involved, the fault of the Divisional Forest Officer and the fault of the Conservator. So far as the former goes the Conservator has admitted that the Divisional Forest Officer was guilty. But there is the further question whether the Conservator has admitted that he was guilty. Mr. K. R. Elenkath's observation I understand this way—it is an inference made by Mr. Elenkath that the Conservator has been guilty. Is it the point?

**MR. K. R. ELENKATH** (*Kalkulam I*): That is my point. When an officer says "my subordinate has done a guilt and it has not been noticed by me" that means that he has been negligent and up till the Committee brought this fact to his notice.

**MR. M. SIVATANU PILLAI** (*Tovala*): May I know from the member the name of the particular Divisional Forest Officer?

**MR. K. R. ELENKATH** (*Kalkulam I*): We did not know and we did not care to know the name of the officer.

**MR. M. SIVATANU PILLAI** (*Tovala*): May I know to which Division of the Forest Department that officer belonged?

**MR. K. R ELENKATH** (*Kalkulam I*): We did not want to know who the particular person was. We dealt with the officer and that deliberately to safeguard public interest by being in the dark as to the community to which that officer belonged.

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MR. M. SIVATANU PILLAI (*Tovala*): May I know what Division that particular officer was in charge of?

DEPUTY PRESIDENT: Are you able to give the name, Mr. Elenkath?

MR. K. R. ELENKATH (*Kalkulam I*): No. Further, an attempt to find out that may lead us to communal questions.

DEPUTY PRESIDENT: All that is not necessary.

MR. K. R. ELENKATH (*Kalkulam I*): Having been a member of the Committee I never wanted to know the name of the officer.

DEPUTY PRESIDENT: I prohibit Mr. Elenkath to say anything on the point. A question was put and Mr. Elenkath said he did not know the name. That is the end of the matter.

MR. A. S. DAMODARAN ASAN (*Mavelikara*): Was the Conservator ever questioned as to whether he passed orders after scrutinising the work of the Divisional Forest Officer?

MR. K. R ELENKATH (*Kalkulam I*): Yes; and he frankly confessed that he was indirectly at fault and that the Divisional Forest Officer was guilty.

MR. R. DHANUKOTI PILLAI (*Conservator of Forests*): I never confessed that I was guilty. What I said was that the Divisional Forest Officer was not correct in recommending for an extension of four months instead of 10 months. (*Hear, hear.*)

DEPUTY PRESIDENT The House is obliged to the Conservator for the information.

MR A. S. DAMODARAN ASAN (*Mavelikara*) Sir, the speed in which the Conservator replied was so high that we could not follow him.

DEPUTY PRESIDENT: That comment is unnecessary. The question is whether Mr. Asan grasped the point.

MR. A S. DAMODARAN ASAN (*Mavelikara*): No, Sir.

DEPUTY PRESIDENT: If Mr. Dhanukoti Pillai is prepared to repeat his answer he may do so.

MR. R DHANUKOTI PILLAI (*Conservator of Forests*): Sir, what I said was I did not make any confession of guilt as Mr. Elenkath put it. What I said was that the Divisional Forest Officer was not correct in recommending for an extension of four months instead of ten months.

MR. K. R. ELENKATH (*Kalkulam I*): That is why I said he indirectly confessed. He said his subordinate did the fault and he never knew then that his subordinate was incorrect.

DEPUTY PRESIDENT: I do not think so much time should be taken up for this matter. I have already said that Mr. Elenkath is making an inference. There that point ends. Mr. Elenkath may go on with the other points.

MR. K. R. ELENKATH (*Kalkulam I*): Yes, Sir. So I would only urge upon the Government the necessity for the appointment of a Special Officer for conducting the annual audit and prepare the report.

I would make one more suggestion and that is in regard to th formation of the rules. This is the first Public Accounts Committe

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and the Report is not as comprehensive as it ought to be. We notice that the Public Accounts Committee of the Imperial Legislature contains verbatim reproduction of what took place in the Committee. But here we find only the major recommendations or the important recommendations made by the Committee have been put in.

**MR. M. SIVATANU PILLAI** (*Tovala*): May I know from the member whether the member suggested this idea at any time before this?

**MR. K. R. ELENKATH** (*Kalkulam I*): I pointed out the important omissions in the Report when a preliminary typed copy was sent to me. The Committee had authorised one of its members to draft the Report.

**MR. N. K. KRISHNA PILLAI** (*Neyyattinkara I*): Sir, I have read with considerable interest the Audit and Appropriation Report and also the Report thereon by the Public Accounts Committee. But before I proceed to offer my remarks on the contents of the Report, first I would refer to the oft-repeated, general, and important question of the necessity for the separation of the Accounts and Audit branches. That question was referred to by my friend Mr. Asan and has been emphasised sufficiently well by Mr. Elenkath. Prior to this, this question has been urged on the floor of the Legislature on occasions more than one and on all those occasions I have found the Finance Member urging arguments in support of the existing state of affairs. Sir, some time back there was a talk in the air that the Government intend effecting certain reforms in the Financial Department in the light of my present suggestion. But now there is a complete lull and we do not know whether Government are contemplating any measure at all by way of reorganising the Department in the manner suggested. Whatever that be, it cannot be denied that the need for separating the two branches is imperative. As it is the Account Officer is the Auditing Officer also, *i. e.*, he is both the judge and the judged. This is a feature, Sir, which one will not meet with in any well-organized system of public finance. This state of affairs certainly shall not be allowed to continue, and I therefore request Government to look seriously into the question and take effective measures to set matters right.

I would now refer to one or two important points. There is in the first place the question of lapses. Lapses occur in the first place as a result of the incompetency of the officers of the several departments. During the budget time they demand a larger amount than is necessary for their respective departments, and at the end of the year, therefore, they find in their hands surplus funds. This I submit, is bad enough since we are told at every turn that for important items of work there is lack of funds. More important than this, Sir, are the lapses that occur in such departments as the Public Works. I see from the Report that there has been a lapse of about Rs. 80,000 out of the allotments for irrigation works and almost an equal amount out of the grant for communication and buildings. I submit that at this time when the people who are already groaning under grinding poverty, are found clamouring for more roads, larger amounts for maintenance of tanks

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[Mr. N. K. Krishna Pillai.]

and more means of communication. it is almost criminal that at such a juncture the Departmental Heads show laxity of work and allow even the alloted amounts to lapse.

Then I have another point to touch upon and that is the question of defalcations. There is no doubt, Sir, that defalcations and such patent irregularities as have been pointed out in the Resolution of Mr. Asan which is just now under discussion before the House are always a disgrace to Government. I think the repetition of such irregularities and misbehaviour on the part of officers is due to the soft heartedness of the Government. The Government should take strong action. Any amount of warning, suspension or depromotion are utterly inadequate for what amounts to theft and what is worse, inefficiency. I have in mind, Sir, some conspicuous examples of defalcation and I have no doubt that in those cases the Government have dealt with the delinquents rather leniently. Therefore, what I would strongly urge upon the Government is that in all cases of such gross irregularities and swindling away of public money exemplary punishment should be meted out to the delinquents.

**MR. S. J. NAIR** (*Nedumangad*): May I know from the member whether he could specifically mention a few instances of defalcation cases in the State?

**MR. N. K. KRISHNA PILLAI** (*Neyyattinkara I*): Yes. A recent one is the defalcation in the Science College.

So it is my earnest appeal to Government that when such defalcations occur, when such irregularities come to light, they would deal with those responsible for them without any mercy whatever, most mercilessly, so that they may have a deterrent effect on the Government officers in general. With these words I resume my seat.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Sir, I am in sympathy with much of what has been already said by Mr. Kunjukrishna Pillai and Mr. Damodaran Asan. The need for an independent auditing of the finances of the State has been reasonably made out by them. So long as this House has got a voice on the budget of the State, this House must be satisfied that proper and accurate accounts are rendered to it so that the financial transactions may be effectively checked by the House. I do not mean to cast any reflection upon the Financial Secretary when I say that in the usual course of his work, though not consciously, quite unconsciously, many things may escape his attention; so much so a correct picture of the finances of the State may not be placed before this House. So, an independent audit of the finances of the State by an outside agency seems to be a desideratum.

With respect to many points that have been brought up, though the learned Financial Secretary would wrap them up in the technical arena of his trade and operations, enough has been brought to light to doubt whether some of his figures and statements are well founded. Desparate defences have been put forward not only by the Financial

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Secretary but also by Mr. Elenkath who happened to be on the Committee which submitted this Report to the House. From their statements of defence it would appear that as they proceeded they ceased to tread on very firm ground in certain directiors. For example Mr. Elenkath submitted to the House that Mr. Dhanukoti Pillai had made a confession before the Committee which Mr. Dhanukoti Pillai is now heard to repudiate. Then with respect to the printed agreement upon which the Forest Department has been acting, the Financial Secretary shakes his head and doubts the soundness of that document. If the Financial Secretary is right, what capers might not have been cut by the Forest Department under cover of the document in question?

Therefore in spite of the stout defence that we have been invited to listen to, the grounds seem to give way in many places. It is not necessary to expatiate upon all those aspects of the matter. I wish to emphasise only one or two points in his report. Now, referring to page 16 of the Report I see that there was a case of theft with respect to Government property—the theft having taken place in the Science College at Trivandrum. The witness examined for that purpose was Mr. C. V. Chandrasekharan, Deputy Director, who, however, was no witness to the occurrence. Well, the first comment on this is that the disappearance of Government property is a matter which should not have been passed over so lightly as the Report seeks to put before the House. In the first place was there a theft at all? The matter was referred to the Travancore Police, Trivandrum Section, but they said it was impossible to detect the case. Probably there was no theft, or if there was one, the Police were not able to cope with its detection, as is not unusually the case. Mr. Chandrasekharan's evidence which has been summarised on page 16 says:—" hereafter special precautions have been arranged to be taken to prevent a repetition of the occurrence". There is no room for repetition, since the articles have disappeared already and it is impossilbe to steal them, again. But why did he not take greater precaution earlier? That is a pertinent question which that officer has to answer. Theft of Government's property stands on a footing somewhat different from other thefts, for example if a house-holder loses his cow by theft, it may be said to be due to his carelessness. But in the case of Government property, some people are specially entrusted with its custody and before they are absolved from the liability arising from its loss, they must disprove their negligence. Government have not made any such distinction, but have merely got a promise from the custodian that greater precaution would be taken after the event. That promise is enough for the Government. The Account Officer should not have been so ready to write off the value of the property stolen and a flimsy explanation for the disappearance of Government property should not have gone down so easily with the Government. Facile explanations are becoming the order of the day, and superior authorities seem to delight in fondling the new born nonsense presented by their inferiors in the shape of excuses and explanations.

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**DEPUTY PRESIDENT**: The Report says that Mr. C. V. Chandrasekharan or anybody concerned with that has been exculpated.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): What I gather is that the amount has been written off now on a promise from Mr. C. V. Chandrasekharan, who unfortunately ceased to be the Deputy Director of Public Instruction recently, that special precaution would be taken hereafter, and in that way the whole matter has been closed. Then there are a number of defalcations referred to in the report submitted by the Financial Secretary. The leakage of money on account of defalcation in Nelpuras in the Kandukrishi Department is referred to. What became of this? Defalcation has been going on not only in the Nelpuras but in more sacred places like the Science College the very throne of learning and wisdom. Has the money been recovered? Nobody knows. That the tax-payers should be called upon to contribute funds for experiments in thefts and defalcations is a proposition which this House or any other House in the world should be the last to accept. Therefore stricter protection of Government money and Government property is needed, and apart from all other irregularities if this consideration would appeal to the Financial Secretary it would be a great consolation for the hard-hit tax-payers.

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): സർ, ഈ സഭയുടെ ആലോചനയ്ക്കു വിഷയമായിരിക്കുന്ന ഈ റിപ്പോർട്ടിനേപ്പോലെ പ്രധാനമായ ഒരു രേഖ തയ്യാറാക്കുന്ന അവസരത്തിൽ അതിലേക്കു നിയുക്തരായ അധികാരികൾ ശ്രദ്ധിക്കേണ്ട സുപ്രധാനമായ ചില സംഗതികളേപ്പറ്റി മാത്രമാണ് എനിക്കിവിടെ പറയുവാനുള്ളത്. ഒരു ഡിപ്പാർട്ടുമെന്റിലുള്ള ഉദ്യോഗസ്ഥൻ ശിക്ഷാർഹനാണെങ്കിൽ അയാളെ ശിക്ഷിക്കുക തന്നെ വേണമെന്നുള്ളതിൽ അഭിപ്രായവ്യത്യാസത്തിനിടയില്ല. എന്നാൽ ഏതാപ്പീസായിരുന്നാലും ആക്ഷേപയോഗ്യമല്ലാത്ത വിധത്തിലുള്ള പ്രവൃത്തി ചെയ്തിരിക്കെ മറ്റൊരു ആഫീസറുടെ അശ്രദ്ധകൊണ്ടോ അല്ലെങ്കിൽ മറ്റു വല്ല കാരണങ്ങളാലോ ആ ഉദ്യോഗസ്ഥനെ ആക്ഷേപാർഹനാക്കുക എന്നുള്ളതു വളരെ തെറ്റായ ഒരു സംഗതിയാണ്. ഇവിടെ പ്രസ്താവിച്ച സംഗതികളിൽനിന്നു മനസ്സിലായതു ഫിനാൻഷ്യൽ സെക്രട്ടറി ഒരു കണക്കിന്റെ കാലദൈർഘ്യത്തെ ആസ്പദമാക്കി അതിനെ സംബന്ധിച്ചുള്ള പൂർണ്ണവ്യവസ്ഥകൾ മനസ്സിലാക്കാതെ ചെയ്തിട്ടുള്ള നിർദ്ദേശങ്ങൾ അടങ്ങിയ രേഖയെപ്പറ്റി ഈ കമ്മിറ്റിക്കാർ കൺസർവേറ്റർ തെറ്റായ പ്രവൃത്തി ചെയ്തു എന്നു വാദിക്കുകയുണ്ടായി എന്നാണ്. ഈ വിധത്തിലുള്ള സർക്കാർ പ്രസിദ്ധീകരണങ്ങൾ വായിക്കുന്ന ആളുകൾ പലരും കൺസർവേറ്റർ യഥാർത്ഥമായി ശിക്ഷാർഹമായ തെറ്റു ചെയ്തു എന്നു ധരിക്കാൻ ഇടയായി. അതുകൊണ്ട് ഇത്തരത്തിലുള്ള പ്രധാനമായ രേഖകൾ, അതിൽ ഉൾപ്പെട

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ത്തിയിട്ടുള്ള സംഗതികളെല്ലാം ശരിയാണോ എന്ന് പരിശോധിച്ച ശേഷം വേണം തയ്യാറാക്കാൻ.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): കൺസർവേറ്റർ യാതൊരു തെറ്റും ചെയ്തിട്ടില്ലെന്നാണോ മെമ്പറുടെ അഭിപ്രായം?

**MR. T. P. VELAYUDHAN PILLAI** (*Tiruvalla III*): ഇവിടെ പ്രസ്താവിച്ചിട്ടുള്ള സംഗതികളെ അടിസ്ഥാനപ്പെടുത്തി മാത്രമാണ് ഞാൻ പറയുന്നത്.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): ചിങ്ങം മുതൽ കുംഭം വരെയുള്ള കാലതാമസം വകവച്ച് കൊടുക്കേണ്ടതാണോ? ... ...

**DEPUTY PRESIDENT**: I do not think that is a question which arises.

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): Sir, I should like to say a few words to explain the attitude taken by the members on the other side with regard to this matter. From what has been printed on page 72 of the Audit and Appropriation Report and also from what is stated on page 17 of the Public Accounts Committee's Report, there is nothing to be surprised at the members on the other side speaking so vehemently as they have done. Here on page 72 of the Audit and Appropriation Report, a full page has been devoted on the so-called irregularity which would show how serious the irregularity has been. As a matter of fact, the facts of the case are simple but it has been so greatly exaggerated and it is no wonder that the members on the other side are not in a position to know the real state. A contract was given for the extraction of 15,000 C. ft. of timber from Arumanalloor side. This place is situated on the northern slope of the Velimala hills and it is separated from the road by a long stretch of paddy lands through which alone the timber could be extracted. The contractor felled all the 15,000 C. ft. but by the time he delivered 12,000 and odd at the depot the cultivating season had commenced and he was not able to transport any more timber across the paddy fields as they were then brought under cultivation.

**MR. S. J. NAIR** (*Nedumangad*): May I know the name of the paddy field?

**DEPUTY PRESIDENT**: That question does not arise.

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): By the close of 1107 the period of the contract had expired but there was a balance of some 2,000 and odd cubic feet still left undelivered. The Divisional Officer recommended an extension of the contract from Kumbhom 1103 to the end of the year as by this time alone the paddy would be harvested and transport across the fields made possible. This extension of the contract and also exemption from the penalty for the deficit supply was sanctioned by me under the powers given to me by clause 15 of the agreement. Clause 15 of the agreement says definitely "Nothing shall prevent the Conservator of Forests from granting extension of time to the contract or from exempting the contractor from payment of any



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[Mr. R. Dhanukoti Pillai.]

or all the penalties, provided reasonable and sufficient cause is shown that the deficit or delay in the delivery was not due to the contractor's negligence but to circumstances beyond his control." Here, Sir, the contractor had finished the felling of the 15,000 C. ft. But he was not able to transport on account of the paddy fields having been brought under cultivation. He had spent money in the collection of timber and his inability to supply the timber was due to circumstances over which he had no control. I thought this was a clear case where some consideration had to be shown to the contractor and when the Divisional Officer himself made a recommendation I sanctioned the exemption as provided for in the above clause of the agreement. The Account Officer in the Audit and Appropriation Report states that I ought to have obtained the sanction of Government to grant extension and also to exempt the contractor from the penalty. Sir, this agreement is the standard form of agreement current in the Forest Department. It was scrutinized by the Head Sirkar Vakil and approved and sanctioned by Government and copies have been got printed. This is an agreement which we follow in all our contracts in the Department and under the above clause I have been giving extensions and exemptions in several cases when I was convinced of the reasonableness of the delay or deficit. I was called as a witness before the Public Accounts Committee and then I explained to the Committee the circumstances under which the extension was granted.

That is how this simple matter was magnified to such a big affair.

**MR. PACODE A. NARAYANA PILLAI** (*Vilavankod*): I rise to a point of order. Is that statement "a simple matter was magnified to such a big affair" justifiable?

**DEPUTY PRESIDENT**: Perfectly parliamentary.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): May I know whether such extensions sanctioned by the Conservator were objected to by the Government in any previous case?

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): I have been the Conservator of Forests for the last 12 years and in no case has any objection been raised. I have done similar things previously.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): I rise to a point of order. Which of these two officers is speaking on behalf of Government, the Financial Secretary or the Conservator?

**DEPUTY PRESIDENT**: Mr. Thanu Pillai has raised a point of very great importance and I think I must explain the position as I have understood it. The Report was submitted to this House by Mr. R. Nilakanta Pillai, the Financial Secretary. As the members are aware there is no vote going to be taken on the acceptability of the Report as such. Reference was made to the action of Mr. Dhanukoti Pillai, the Conservator of Forests in various particulars; and in the course of the discussion there was an occasion in which Mr. Dhanukoti Pillai felt

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that he should ease the situation by giving a personal explanation which he did. The information was very useful to the House. Mr. Dhanukoti Pillai talks no doubt as an official member. His statements are useful to the House because accusations were made against officers of the Department of Forests. Mr. Dhanukoti Pillai is entitled to speak. A clear-cut decision as to who represents Government in this matter is not necessary. Anyhow for Mr. Thanu Pillai's information, I may say that Mr. Nilakanta Pillai being the officer who presented the Report to this House for consideration he is the official member in charge.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): I rise to a point of order. The Report was presented to the House by Mr. Nilakanta Pillai. It has been approved by the Dewan who is one of the signatories of the Report. Is it open to the Conservator of Forests to say that the Report contains misrepresentation of facts?

**DEPUTY PRESIDENT**: If there are defects in the rules under which the Travancore administration works they are to be modified. We are not concerned with that here. If a dispute arises between the Conservotor of Forests and the Financial Secretary it is a very unfortunate thing. But we are not concerned here just now to move the Government to remove such defects.

**MR. A. THANU PILLAI** (*Trivandrum—Rural*): I rise to a point of order. When the Government have placed a document for the consideration of this House and when the Government members and the non-officials are discussing that, is any official member in order when he spends the time of the House in explaining matters calculated to justify his conduct independently of the Government?

**DEPUTY PRESIDENT**: I think that the member refers to Mr. Dhanukoti Pillai. I may say at once that Mr. Dhanukoti Pillai was quite in order. It is the function of every official member present in this House to explain matters according to his best lights. Every member has got that right.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): When the Conservator received the recommendation for extension did he know the date on which the agreement expired?

**MR. R. DHANUKOTI PILLAI** (*Consersator of Forests*): Yes.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): May I khow whether he was aware that the Divisional Forest Officer has not asked for extension for the period from Chingom to Kumbhom?

**DEPUTY PRESIDENT**: He has already stated that.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): He did not say that, Sir,

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): With regard to the agreement I have already explained. This agreement was approved by the Government, scrutinised by the Head Sirkar Vakil and copies were got printed and distributed to Divisional Forest Officers.

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[Mr. R. Dhanukoti Pillai.]

The Department follows this agreement making corrections here and there as circumstances arise. So far as section 15 of that agreement is concerned I am of opinion that the Conservator is in no way wrong in sanctioning the extension. I have granted several such extensions before like this.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): Have you got any approximate idea of the number of such agreements?

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): Probably, 200 or 300.

**MR. S. CHATTANATHA KARAYALAR** (*Shencotta*): May I know from the member whether objections were not raised by Government when the extension was granted?

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): No; not at all.

Now with regard to the clearing of the outstanding liabilities. That is also an equally simple matter. This is a forest case in which the Range Officer of Mahendragiri detected illicit collection and removal of tamarind from inside the Reserve sanctioned in 1101. The contractor had defaulted payment of his lease and he was not allowed to collect any produce. But one day the Ranger saw some people collecting the tamarind and he arrested them. But it turned out that these persons were the sub-agents and coolies of the contractor who had not known anything of the order issued against the contractor. The offenders being the contractor's men, he agreed to pay Rs. 90, the compensation fixed by the Divisional Forest Officer in compounding the case and he also ordered the acceptance of Rs. 90 as compensation. The produce collected was confiscated to Government and auctioned and the sale price credited to Government. The amount of compensation agreed to by the contractor was not paid and the Range Officer had had several correspondence with him and he went to the extent of addressing the Radhapuram Magistrate to use his influence and to recover the amount from the contractor. But the contractor became a bankrupt and declared himself an insolvent. By this time, the Range Officer was transferred and another one succeeded him. The contractor being a British man, he found the recovery impossible especially when he had become an insolvent and the case was ordered to be struck off. The question, who should pay the compensation amount now, is still under correspondence.

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*): I would wish to speak a few words on this question, *i. e.*, about the difference of opinion between the Financial Secretary and the Conservator of Forests.

**MR. R. DHANUKOTI PILLAI** (*Conservator of Forests*): There is no difference of opinion between the Financial Secretary and myself. I was referring to the personal attack from Mr Asan, and I forgive him for that.

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**DEPUTY PRESIDENT** : Whatever be the grounds, there was some difference of opinion. Order: Order: After all, I think the discussion requires better form. When the statement has been made by Mr. Dhanukoti Pillai and when the Chair said that there was some difference of opinion between Mr. Dhanukoti Pillai and the Financial Secretary, and Dr. Kunjan Pillai rightly alluded to it no further question arises on that.

**MR. A. S. DAMODARAN ASAN** (*Mavelikara*): My point is that the Conservator says that he forgives me and I don't know for what.

**DEPUTY PRESIDENT** : I may say that if a member says that he forgives another it is really a literary Parliamentary expression and it does not mean any offence. The genius of the English language vindicates Mr. Dhanukoti Pillai.

**RAO SAHIB DR. N. KUNJAN PILLAI** (*Chief Secretary to Government*) : I do not think that there was any necessity for the Conservator to get up and offer a personal explanation. That there is difference of opinion is evident from the question put by Mr. Thanu Pillai whether the Financial Secretary or the Conservator of Forests has been speaking on behalf of Government. The Financial Secretary observed in the Audit and Appropriation Report that the Conservator of Forests should have obtained the sanction of Government before granting the extension. In his own speech he admitted that that was his view. When questioned, he said that the agreement form stood in need of revision. That was the view taken by the Financial Secretary and he included it in the report he prepared This report was considered by the Public Accounts Committee of which the Dewan was the President and the Committee's proceedings have been published over the signature of the Dewan and other members of the Committee. The Report shows that the Conservator was examined by the Committee and he stated that he had full power to grant extensions. The Government accepted the Conservators's view, though the Financial Secretary held a different view. There is nothing wrong in the Public Accounts Committee's report which shows that the Conservator's explanation has been accepted by Government and the amount written off. The view of the Conservator is therefore correct unless and until the agreement form is revised as suggested by the Financial Secretary. The view expressed by the Conservator may therefore be taken as the view of the Government at present.

**MR. K. C. KARUNAKARAN** (*Nominated*) : As a member of the Public Accounts Committee, I can assure this House that the non-official members of the Committee were furnished with all papers and all necessary information relating to the various subjects dealt with in the Audit and Appropriation Report for the year 1108. I shall deal, one by one, with the points raised by Mr. E. V. Krishna Pillai in his observations on the Report.

Mr. Krishna Pillai said that the Report says that, in answer to my question about the Trivandrum Sales Depot being not remunerative, the Chief Secretary said that the Ootty Sales Depot had been

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[Mr. K. C. Karunakaran.]

closed. Sir, I can assure my friend, Mr. Krishna Pillai, that we did work on the Committee with great attention and with great sharpness.

**MR. PUTHUPALLI S. KRISHNA PILLAI** (*Quilon II*): The latter part of the member's statement is not clear to me, Sir.

**MR. K. C. KARUNAKARAN** (*Nominated*): I said that we worked on the Committee with great attention and with great sharpness. I used the word 'sharpness', because Mr. E. V. Krishna Pillai said that we were inattentive and were not sharp enough. It seems that the member thinks that the word 'sharpness' is a new word in the English language; even if it is so, the English language is elastic enough to have this word.

**DEPUTY PRESIDENT**: 'sharpness' is not a new English word (*Laughter.*)

**MR. K. C. KARUNAKARAN** (*Nominated*): Mr. Krishna Pillai seemed to doubt that the members of the Committee lacked sharpness.

I may at the outset submit, Sir, that, we, the non-official members of the Public Accounts Committee, set to work with a reasonable, rational and open mind. We were accessible to reasonable explanations and arguments from the official members on the Committee. We were open to conviction. When I raised the question of the closing of the Trivandrum Sales Depot the Director of Industries convinced me, by argument, that it was not the profit that the Government derived from the Sales Depot that must count with us, that the establishing of sales depots was one kind of very useful propaganda work for the furtherance of the industries in the country, that that was the reason why they had such sales depots in all civilised countries, and that therefore the Trivandrum Sales Depot should be allowed to continue for some time more, although there was a loss to Government, on account of the sales depot, to the extent of about Rs. 4½ per diem. We were convinced by these arguments advanced by the Director of Industries.

**DEPUTY PRESIDENT**: The reasons which weighed with Mr. Karunakaran when he was working in the Committee are not now quite material. (Mr. E. V. Krishna Pillai, *Hear, hear.*) The reasons which now weigh with him are more important for the present discussion.

**MR. K. C. KARUNAKARAN** (*Nominated*): I want to show to the House that although the Report is not quite complete in regard to certain matters, we had a full discussion of such matters also in the Committee. Mr. E. V. Krishna Pillai seems to think that we were satisfied with the answer given by the Chief Secretary (in regard to my suggestion about the closing of the Trivandrum Sales Depot), that the Ooty Sales Depot had been closed. I want to make it clear that after the convincing argument and explanation by the Director of

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Industries regarding the necessity for the continuance of the Trivandrum Sales Depot, the Chief Secretary, *incidentally*, informed the Committee that the Sales Depot at Ooty had been closed.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): What has the member to say about the statement in the Report regarding the Northern India tour of the Director of Industries?

**MR. K. C. KARUNAKARAN** (*Nominated*): I was about to refer to that. I raised that question in the Committee, and the Director of Industries was pleased to explain the nature and object of that tour.

**DEPUTY PRESIDENT:** I have one difficulty, and I want the Law Member to enlighten me on it. What is the understanding with regard to the proceedings in the Public Accounts Committee? Are they private, or, are they public? I mean the details.

**MR. KAYALAM PARAMESVARAN PILLAI** (*Additional Head Sirkar Vakil*): As I understand it, anything not published in the Report should be treated as confidential; the Public Accounts Committee is really a Select Committee of the Legislature.

**DEPUTY PRESIDENT:** So, Mr. Karunakaran need not dilate upon the details that took place in the Committee.

**MR. K. C. KARUNAKARAN** (*Nominated*): In answer to my question about the tour undertaken by the Director of Industries, he told us that he went to North India to attend the Industrial Conference of the Government of India at Delhi. It was subsequent to this answer by the Director of Industries that the Chief Secretary, *incidentally again*, stated that, in regard to finding out new markets for our products, a Trade Agent had since been appointed at Bombay.

**MR. E. V. KRISHNA PILLAI** (*Pattanamtitta*): Why is it that all this does not find a place in the Report? Does not the statement in the Report go very much against the member's sanity?

**DEPUTY PRESIDENT:** I want Mr. E. V. Krishna Pillai to withdraw that word 'sanity'.

**MR E. V. KRISHNA PILLAI** (*Pattanamtitta*): I withdraw that, Sir. (*laughter.*)

It seems, from a perusal of the Report, that Mr. Karunakaran was quite satisfied with the answers from the official members, answers that have nothing to do with his questions, answers which were absolutely irrelevant. Why is it that Mr. Karunakaran has allowed the publication of such a report which gives very little credit to him.

**DEPUTY PRESIDENT:** The question, as to whether the Report does little credit to Mr. Karunakaran or not, is a matter of opinion. Hence, I disallow the question. Mr. Karunakaran may proceed.

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**MR. K. C. KARUNAKARAN** (*Nominated*): It is very painful for me to note, Sir, that, during the discussion on this Report so far, not one member of this House has thought it fit to speak even a word about some of the very useful suggestions that have been made by the non-official members of the Committee, suggestions that have been accepted by the Committee and placed before Government for consideration. The Report does contain those suggestions. Still, not a single member spoke a single word about any of them.

With regard to the question of the irregularities in the Forest Department, the Conservator was called in as a witness and he gave to the Committee the same explanation that he has given here to-day; and I remember quite well that the member, at whose instance the Conservator was called in to explain, was thoroughly convinced with his explanation. And the Committee accepted it.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): Mr. Karunakaran, one of the members of the Public Accounts Committee is, evidently, dissatisfied with the non-official members of this House since not one of them has so far made any pointed reference to the various suggestions contained in the Report.

**DEPUTY PRESIDENT**: He did not say that he was *dissatisfied* he only said that he felt *sorry*.

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): I think, Sir, that there is no particular point in referring to what has actually been done by the Committee and placed on record in its Report. I think this House would be well advised in devoting the time allotted for this purpose to matters that have been omitted by the Committee rather than to those that have been dealt with by them. In the Rule also I find:

> "The Chamber concerned shall thereupon be at liberty to discuss the report for such time as may be allotted by the Dewan and, during that time, to make any *additional* recommendations in connection therewith".

What is emphasised in the Rule is that our discussion should, as far as possible, deal with points which have not already been dealt with by the Committee. Any how, I shall refer to one or two matters dealt with by the Committee.

Government have stated that they have got full power and that they would be quite justified in spending funds allotted under a particular demand for a specific item for any other item under the same demand. That, I submit, is not in consonence with the spirit of the provisions of the Legislative Reforms Regulation.

**DEPUTY PRESIDENT**: Are you questioning the President's ruling?

**MR. A. THANU PILLAI** (*Trivandrum-Rural*): I thought it was only a statement made, on behalf of Government, by the Dewan.

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**DEPUTY PRESIDENT** : The Dewan, except in very exceptional cases does not have the right of addressing this House. It was only as President of the Assembly that Sir M. Habibullah gave his ruling some time back. Therefore, his ruling cannot be questioned.

**MR. A. THANU PILLAI** (*Trivandrum—Rural*) : As I submitted, I thought that it was only a statement made on behalf of Government by the Head of the Administration. If it is objectionable to deal with it, I shall not do it.

**DEPUTY PRESIDENT** : You have only two minutes more.

**MR. A. THANU PILLAI** (*Trivandrum—Rural*) : I shall refer to only one important matter. Reference has been made about the need for proper audit of the receipts of Government. The Report says that the present arrangement is not satisfactory and the Financial Secretary also agrees with that view. I would only urge the desirability of making adequate provision for satisfactory audit, especially in view of the numerous cases of thefts and defalcations in Government institutions which have recently come to light. I congratulate the members of the Public Accounts Committee for the good work they have done and wish to point out once again that, if reference was not till now made to their good work, it was not because of lack of adequate appreciation of their good work but because it was considered wiser to spend the time allotted for this discussion more profitably.

**MR. N. E. VARUGHESE** (*Tiruvalla I*) : Sir,.....

**DEPUTY PRESIDENT** : Mr. Varughese, I am very sorry there is no time. Mr. Kunjukrishna Pillai, do you press your resolution ?

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : Yes, Sir.

The following resolution was then put to vote and lost.

"This Assembly recommends to Government to take serious notice of the irregularity in the expenditure of a sum of Rs. '01 lakh under Capital Expenditure by diversion from the allotment for the Trivandrum Water Works."

**MR. K. KUNJUKRISHNA PILLAI** (*Quilon I*) : I demand a poll.

A poll was taken and the House divided as follows :—

AYES—19.

| | | | | | |
|---|---|---|---|---|---|
| 1 | Mr. | T. K. Alexander | 11 | Mr. | M. K. Madhavan Pillai |
| 2 | ,, | A. S. Damodaran Asan | 12 | ,, | M. N. Nair |
| 3 | ,, | M. Mahomed Haneef | 13 | ,, | Pacode A. Narayana Pillai |
| 4 | ,, | K. P. Krishna Menon | 14 | ,, | P. K. Narayana Pillai |
| 5 | ,, | Pottayil S. Krishna Panickar | 15 | ,, | S. Nilakanta Pillai |
| 6 | ,, | E. V. Krishna Pillai | 16 | ,, | Edavanatt S. Padmanabha Menon |
| 7 | ,, | N. K. Krishna Pillai | 17 | ,, | Changanachery K. Parameswaran Pillai |
| 8 | ,, | Puthupalli S. Krishna Pillai | 18 | ,, | R. Raman Pillai |
| 9 | ,, | T. Krishna Pillai | 19 | ,, | A. Thanu Pillai |
| 10 | ,, | K. Kunjukrishna Pillai | | | |



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NOES—30.

| | | | |
|---|---|---|---|
| 1 | Mr. N. Abdur Rahiman Sahib | 17 | Mr .K. Madhavan |
| 2 | ,, K C. Abraham | 18 | ,, G. Nilakantan |
| 3 | ,, S. Chattanatha Karayalar | 19 | ,, R. Nilakanta Pillai |
| 4 | ,, R. Dhanukoti Pillai | 20 | Rao Sahib S. Paramesvara Aiyar |
| 5 | ,, Antony George | 21 | Mr. Kayalam Paramesvaran Pillai |
| 6 | ,, K. George | 22 | Rao Bahadur N. Ramanuja Aiyangar |
| 7 | ,, M. K. Janardana Kamath | 23 | Mr. R. Sambasiva Aiyar |
| 8 | ,, T. S. Jayantan Nambootiri | 24 | ,, K. Sankaran |
| 9 | ,, N. John Joseph | 25 | ,, James Simpson |
| 10 | ,, K. C. Karunakaran | 26 | ,, R. M. Statham |
| 11 | ,, T. T. Kesavan Sastri | 27 | ,, P. K. Thomas |
| 12 | ,, K. M. Krishnan | 28 | ,, T. C. Thommen |
| 13 | Rao Sahib Dr. N. Kunjan Pillai | 29 | ,, John Whitely Tolson |
| 14 | Mr. C. V. Kunjuraman | 30 | ,, G. B. E. Truscott |
| 15 | ,, E. K. Kunjuraman | | |
| 16 | ,, K. M. Kuriakose | | |

NEUTRALS—10.

| | | | |
|---|---|---|---|
| 1 | Mr. V. T. Chacko | 5 | Mr. T. C. Joseph |
| 2 | ,, A. Easwara Pillai (*Kalkulam II*) | 6 | ,, K. Mahomed |
| 3 | ,, A. Easwara Pillai (*Kottarakara*) | 7 | ,, K. Padmanabhan |
| 4 | ,, K. R. Elenkath. | 8 | ,, V. Ramakrishna Panickar |
| | | 9 | ,, S. Thiraviam Nadar |
| | | 10 | ,, N. E. Varughese |

The resolution was declared lost.

The resolution of Mr. S. Damodaran Asan that—

"This Assembly recommends to the Government that severe steps must be taken against the delinquents for the irregularities noted in paras 16 to 18 of the Audit Report as the explanation given by the Conservator before the Public Accounts Committee is unsatisfactory".

was then put to the vote of the House and declared lost.

## ADJOURNMENT MOTION.

### RE FAILURE OF CROPS.

**DEPUTY PRESIDENT:** There are six gentlemen who had given notice of the motion. They are Messrs. Changanachery Parameswaran Pillai, A. S. Damodaran Asan, N. E. Varughese, R. Sambasiva Aiyar, A Thanu Pillai and K. R. Elenkath. Two others have sent in notice of a motion ancillary to that, Messrs. S. J. Nair and M. Sivatanu Pillai. What may be done is Mr. Changanachery Paramesvaran Pillai may speak first and the other five gentlemen who have given notice of a similar motion will follow and then the two other gentlemen, Messrs. S. J. Nair and M. Sivatanu Pillai may speak. After them the other members may speak. That will be the right thing to do.

**MR. P. K. NARAYANA PILLAI** (*Ambalapuzha I*): Are the resolutions all quite uniform?

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